GOVERNMENT OF INDIA
ROAD TRANSPORT AND HIGHWAYS
LOK SABHA

UNSTARRED QUESTION NO:3133
ANSWERED ON:31.07.2014
FINE ON COMPANIES
Puttaraju Shri C.S.

Will the Minister of ROAD TRANSPORT AND HIGHWAYS be pleased to state:

(a) whether the Government is planning to impose fine on the companies which leave the road construction projects incomplete;

(b) if so, the details and status thereof;

(c) whether these companies have cited any reasons for leaving the projects incomplete; and

(d) if so, the details thereof project-wise along with action taken thereon;

Answer

THE MINISTER OF STATE MINISTRY OF ROAD TRANSPORT AND HIGHWAYS (SHRI KRISHANPAL GURJAR)

(a) to (d) For companies which leave road construction projects incomplete, the Government has an institutional framework in place through (i) Concession Agreement for PPP projects and (ii) EPC Agreement for publicly funded EPC projects , which imposes adequate penalties and fines including termination on a defaulter company through legally enforceable contractual provisions. Details of projects terminated where fine has been imposed for mainly, non-fulfillment of conditions precedent and non- achievement of financial close on part of the concessionaire/contractor is enclosed asAnnexure.